

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

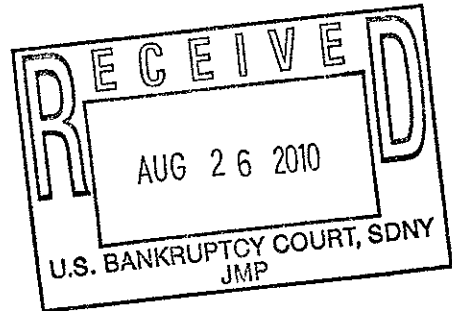
Sandra Kern

v

In re

LEHMAN BROTHERS HOLDINGS, INC. ,*et.al.*,

Debtors



File No: 08-13555(JM)

Claim Number: 8218

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Sandra Kern  
**5333 Adams Road**  
Delray Beach, FL  
33484  
(954) 401-8671

Aimee Blanchard  
**Attorney for Debtors**  
767 Fifth Avenue  
New York, New York 10153  
(212) 310-8000

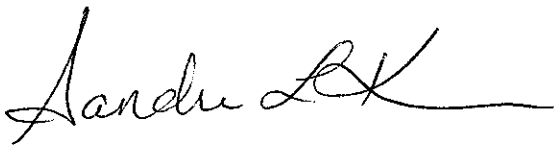
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Sandra Kern, objects to the claims to be disallowed and expunged by Lehman Brothers holdings, Inc. The basis for the objection is based on bad faith by Lehman Brothers Holdings, Inc. Lehman Brother Holdings (Lehman Brothers) has a fiduciary duty to act in the best interest of its shareholders and did not which the resulting action arises from. Lehman borrowed significant amounts to fund its investing in the years leading to its bankruptcy in 2008, a process known as leveraging or gearing. A significant portion of this investing was in housing-related assets, making it vulnerable to a downturn in that market. One measure of this risk-taking was its leverage ratio, a measure of the ratio of assets to owner's equity, which increased from approximately 24:1 in 2003 to 31:1 by 2007. While generating tremendous profits during the boom, this vulnerable position meant that just a 3-4% decline in the value of its assets would entirely eliminate its book value or equity. While risk is inherent in the stock market, it is the fiduciary duty of both the SEC and the Company to acted in the best interest of their shareholder's; this includes but is not limited to sound investment and business activities with the effects on both the company and on shareholder's such decisions will have immediately and in alternative market conditions. Lehman Brother's being a major player in the stock market knew

or should have known that an economic downturn would have catastrophic effects on its shareholders and its financial stability resulting in bankruptcy and the loss of its shareholders investments. Such evidence lends itself to the reality that Lehman both breached its fiduciary duty to investors.

In 2008, Lehman faced an unprecedented loss due to the continuing subprime mortgage crisis. Lehman's loss was apparently a result of having held on to large positions in subprime and other lower-rated mortgage tranches when securitizing the underlying mortgages. Whether Lehman did this because it was simply unable to sell the lower-rated bonds, or made a conscious decision to hold them, is unclear. In any event, huge losses accrued in lower-rated mortgage-backed securities throughout 2008. In the second fiscal quarter, Lehman reported losses of \$2.8 billion and was forced to sell off \$6 billion in assets. In the first half of 2008 alone, Lehman stock lost 73% of its value as the credit market continued to tighten. In August 2008, Lehman reported that it intended to release 6% of its work force, 1,500 people, just ahead of its third-quarter-reporting deadline in September. Lehman Brothers filed for Chapter 11 bankruptcy protection on September 15, 2008. While Chapter 11 bankruptcy filing may be considered necessary to ensure the continuation of business activities post bankruptcy such protection should be disallowed when the behavior resulting in Chapter 11 protection was willful, negligent and due to a breach of fiduciary duty. It is up to the Bankruptcy Court to set the precedent to hold accountable the firms which have abused the trust of investors such as Lehman Brothers, and hold them accountable. The effects will be far reaching and I urge the Court to find in favor of those investors who have lost a significant portion of their investments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sandra L. Kern". The signature is fluid and extends to the right with a long, sweeping underline.

Sandra L Kern



125 Broad Street  
New York, NY 10004  
(212) 668-8000  
Member of All Principal Exchanges

# STATEMENT OF ACCOUNT



ANDRA KERN  
333 ADAMS ROAD  
DELRAY BEACH FL 33484

Page 2 of 3 Account Number 651-1372208 Financial Advisor LEWIS ARTHUR W - NH7 Period Ending 06/30/10

## Portfolio Holdings

Prices, current values and income estimates may be approximations, resulting in gains and losses not being accurately reflected. Unrealized gains and/or losses are computed from the supplied basis data and may not be accurate for tax reporting purposes. Items for which a cost basis was not available as of the statement period ending date are indicated by the symbol N/A. The gains and/or losses do not reflect positions which we do not have cost information. Please contact your Financial Advisor if you believe any cost basis related data is inaccurate or if you need additional information.

Estimated Annual Income ("EAI") and Estimated Yield ("EY") are estimates only and do not indicate actual income or performance of investments. EAI and EY for certain types of securities could include a return of principal or capital gains, in which case the EAI and EY would be overstated. As EAI and EY are estimates, the actual income and yield might be lower or higher than the stated amounts. EY reflects only the income generated by an investment and it does not reflect changes in its price, which may fluctuate.

**Equities** Please note the following icon @ appears to the right of the stock symbol of those securities which Openheimer has provided research coverage within the last 12 months. If you wish to access such research you may visit the Client Access web site ([www.opco.com](http://www.opco.com)) or speak with your Financial Advisor.

Description	Account Type	Quantity	Symbol	Unit Cost	Current Price	Total Cost Basis	Current Value	Unrealized Gain/Loss	EY	EAI	Portfolio Percent
MAN BROS HLDS CAP TR VI	CASH	1,000	LEHND	23.003	0.052	23,003.00	52.00	(22,951)			100.00
N 6.24% 54											
1/18/54 CUM DIV											
ADYS WR CALL 01/18/10 @ \$25											
SUB-TOTAL PREFERRED OR OTHER STOCK.....											
						23,003.00	52.00	(22,951)			100.00
TOTAL EQUITIES.....						23,003.00	52.00	(22,951)			100.00

Total Portfolio Value.....						Total Cost Basis \$23,003.00	Current Value \$52.00	Unrealized Gain/Loss (\$22,951)	EY	EAI	Portfolio Percent 100%
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**From:** Sandra Kern <skern@bellsouth.net>  
**To:** ERIKA KERN <CHIGGER311@AOL.COM>  
**Subject:** Fw: Lehman Bros. claim no. 8218  
**Date:** Mon, Aug 16, 2010 2:36 pm

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Dear Erika,

The email address for Sarah Decker and Aimee Blanchard are as follows:

[sarah.decker@weil.com](mailto:sarah.decker@weil.com)

[aimee.blanchard@weil.com](mailto:aimee.blanchard@weil.com)

Thanks for your help!!!!!!!!!!!!

Love Mom

----- Forwarded Message -----

**From:** "Decker, Sarah" <Sarah.decker@weil.com>  
**To:** "skern@bellsouth.net" <skern@bellsouth.net>  
**Cc:** "Blanchard, Aimee" <aimee.blanchard@weil.com>  
**Sent:** Fri, August 13, 2010 3:15:54 PM  
**Subject:** Lehman Bros. claim no. 8218

Sandra,

To confirm what we just discussed, you agreed to email us your response to the Debtors' Thirty-First Omnibus Objection to Claims (Insufficient Documentation Claims) on or before 4:00 pm Eastern Prevailing Time on August 26, 2010. In the meantime, please do not hesitate to contact me or Aimee Blanchard if you have any questions.

Best regards,

Sarah Moore Decker  
Weil, Gotshal & Manges LLP  
200 Crescent Court, Suite 300  
Dallas, Texas 75201  
(214) 746.8141 Direct Dial  
(214) 746.7777 Direct Fax  
[sarah.decker@weil.com](mailto:sarah.decker@weil.com)

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